

August 31, 2007

The Honorable Mark Sanford
Governor
State of South Carolina
Post Office Box 12267
Columbia, South Carolina 29211

Dear Governor Sanford:

Attached is the FY 2008-2009 Budget Plan for the Educational Television Commission. I appreciate the opportunity to present our spending priorities for the next fiscal year and look forward to working with you during the upcoming budget process.

If you have any questions, please do not hesitate to let me know.

Sincerely,

Maurice J. (Moss) Bresnahan
President & CEO

FISCAL YEAR 2008-09 BUDGET PLAN

I. EXECUTIVE SUMMARY

A. Agency Section/Code/Name: 19/H67/Educational Television Commission

B. Statewide Mission: SCETV shall provide a statewide educational communications network. The primary purpose of the network is to offer comprehensive educational opportunities to preschoolers, public schools, colleges, universities, and for adult continuing education. The service, using a variety of technologies, shall support and enhance training for state agencies, private industry and individuals, and shall offer programs of cultural, historical and educational significance to the general public.

C. Summary Description of Strategic or Long-Term Goals:

Use its communications technology and production capability to:

- (1) Provide educational opportunities to K-12, higher education and adult education, in partnership with the State Department of Education, the state's school districts, and the state's public and private colleges and universities;
- (2) Provide training for the public and private sectors in partnership with federal state and local government, law enforcement and business community;
- (3) Deliver quality public television and radio programming to meet the educational needs of South Carolinians.

D.

[illegible]

Summary of Operating Budget Priorities for FY 2008-09:		FUNDING					FTEs			
		State Non-Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Priority No.: 2	Title: Equipment Replacement & Technology Upgrade	1,800,000	0	0	0	\$1,800,000	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above (if applicable): Activity Number & Name: 825 Pre K-12 Educational Services; 827 Higher & Medical Education Services; 829 Education Services to City, County & State Government; 830 Educational Television – Local Programming										
Priority No.:	Title:	0	0	0	0	\$ 0	0	0	0	0.00
Strategic Goal No. Referenced in Item C Above (if applicable): Activity Number & Name:										
TOTAL OF ALL PRIORITIES		\$1,800,000	\$800,000	\$ 0	\$ 0	\$2,600,000	0.00	0.00	0.00	0.00

E. Agency Recurring Base Appropriation:

State \$ 16,461,106

Federal\$

Other \$ 8,175,000

F. Efficiency Measures:

G.

Summary of Capital Budget Priorities:			Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Priority No.:	Project Name:	Project No*:	8,228,100	0	0	\$8,228,100

1	Telecommunications Center Renovation Activity Number & Name: 831 Administration	9514				
Priority No.:	<u>Project Name:</u> Activity Number & Name:	Project No*:	0	0	0	\$ 0
Priority No.:	<u>Project Name:</u> Activity Number & Name:	Project No*:	0	0	0	\$ 0
TOTAL OF ALL CAPITAL BUDGET PRIORITIES			\$8,228,100	\$ 0	\$ 0	\$8,228,100

* If applicable

H. Number of Proviso Changes: 0

I. Signature/Agency Contacts/Telephone Numbers:

Maurice J. (Moss) Bresnahan
President & CEO
737-3240

David L. Crouch
Senior Vice President – Administration
737-3318

Ray Sharpe
Director of Governmental Relations
737-3515

II. DETAILED JUSTIFICATION FOR FY 2008-09 OPERATING BUDGET PRIORITIES

A. Agency Section/Code/Name: 19/H67/Educational Television Commission

B. Priority No. 1 of 2

C. (1) Title: Education Satellite Service

(2) Summary Description: ETV requests \$800,000 in recurring funds to continue to provide educational satellite services. In the past year, ETV has negotiated a new lease agreement that has reduced the cost of this service. In previous years, this item has been funded from non-recurring sources. Since this is an on-going service that is relied upon for the distribution of educational and instructional programming to K – 12 schools, colleges and universities, and many state and local agencies, ETV requests that this be funded from the general fund.

(3) Strategic Goal/Action Plan (*if applicable*): Use its communications technology to:

Provide educational opportunities to K – 12, higher education and adult education, in partnership with the State Department of Education, the state's school districts, and colleges; provide training for the public and private sectors in partnership with federal, state and local government, law enforcement and business community;

D. Budget Program Number and Name: II.A. Public Education; II.B. Higher Education; II.C. Agency Services

E. Agency Activity Number and Name: 825 – Pre K – 12 Educational Services; 827 – Higher & Medical Education Services; 829 – Education Services to City, County and State Government

F. Detailed Justification for Funding

(1) Justification for Funding Increase: The ETV Education Satellite Service is an integral part of the educational services ETV provides to public schools, colleges, higher and medical education, state and local government agencies, state's law enforcement agencies and the state's emergency preparedness service. There are more than 170 state agency locations that have ETV digital satellite downlinks to meet their training needs. South Carolina's public colleges are equipped with satellite dishes. 203 college credit courses for associate, four year and graduate courses are offered to students throughout the state. Healthcare programming is offered to partners in 125 sites located in hospitals, clinics, medical universities, state health institutions, area health education centers and nursing care centers. Over 10,000 local law enforcement/emergency preparedness staff are trained each year at over 150 receiver locations via ETV satellite. If satellite service were not available, city, county and state government would have significantly higher training costs. It is estimated that law enforcement and emergency preparedness agencies save \$3.2 million in travel expenses and overtime by using the distance learning available through the ETV satellite and avoid the loss of more than 100,000 work hours due to off-site training requirements.

(2)

FY 2008-09 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

Program/Case Services					\$ 0
Pass-Through Funds					\$ 0
Other Operating Expenses		800,000			\$800,000
Total	\$ 0	\$800,000	\$ 0	\$ 0	\$800,000
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State \$ 16,461,106
Federal \$
Other \$ 8,175,000

(4) Is this priority associated with a Capital Budget Priority? _____ If yes, state Capital Budget Priority Number and Project Name: _____.

G. Detailed Justification for FTEs

(1) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

(3) FTEs in Program Area per FY 2007-08 Appropriation Act:

State _____
Federal _____
Other _____

Agency-wide Vacant FTEs as of July 31, 2007: _____

% Vacant _____%

H. Other Comments:

A. Agency Section/Code/Name: 19/H67/Educational Television Commission

B. Priority No. 3 of 3

D. (1) Title: Equipment Replacement & Technology Upgrade

(2) Summary Description: ETV requests \$1,800,000 in non-recurring funds for the replacement of obsolete and worn out equipment and for technology upgrades. As stated in the strategic goal, ETV relies on technology to provide educational opportunities to every citizen of the state. In order to achieve this goal in the most efficient and cost effective manner possible, the technology ETV uses must be reliable and meet reasonably current industry standards. For a variety of reasons, this is not currently the case.

(3) Strategic Goal/Action Plan (*if applicable*): Use its communications technology to:

Provide educational opportunities to K – 12, higher education and adult education, in partnership with the State Department of Education, the state's school districts, and colleges; provide training for the public and private sectors in partnership with federal, state and local government, law enforcement and business community;

D. Budget Program Number and Name: II.A. Public Education; II.B. Higher Education; II.C. Agency Services; II.D. Community Education; II.E. Public Affairs; II.F. Cultural & Performing Arts

E. Agency Activity Number and Name: 825 – Pre K – 12 Educational Services; 827 – Higher & Medical Education Services; 829 – Education Services to City, County and State Government; 830 – Educational Television – Local Programming

F. Detailed Justification for Funding

(1) Justification for Funding Increase: These funds will enable ETV to upgrade the equipment used to train teachers on how to use technology in the classroom. Last school year, ETV conducted 4,594 hands-on sessions for teachers across the state. Funds will also be used to upgrade equipment used by ETV's Network Technical Services (NTS) staff. NTS provides on-site technical support at school districts throughout South Carolina. Funds will also buy equipment that will enhance the quality of local television programs, including news and public affairs programs such as This Week in the House, This Week in the Senate and State House Tonight. Equipment purchased would also enhance the visual quality of programming broadcast by ETV, including award-winning children's educational programs. Equipment purchased will also enable ETV to digitally store and retrieve programming that has been produced by ETV throughout its history.

(2)

FY 2008-09 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0
Program/Case Services					\$ 0
Pass-Through Funds					\$ 0
Other Operating Expenses	1,800,000				\$1,800,000
Total	\$1,800,000	\$ 0	\$ 0	\$ 0	\$1,800,000
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	\$ 16,461,106
Federal	\$
Other	\$ 8,175,000

(4) Is this priority associated with a Capital Budget Priority? _____ If yes, state Capital Budget Priority Number and Project Name: _____.

G. Detailed Justification for FTEs

(2) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

FTEs in Program Area per FY 2007-08 Appropriation Act:

State _____

Federal _____

Other _____

Agency-wide Vacant FTEs as of July 31, 2007: _____

% Vacant _____%

H. Other Comments:

III. DETAILED JUSTIFICATION FOR CAPITAL BUDGET PRIORITIES

A. Agency Section/Code/Name: 19/H67/Educational Television Commission

B. Priority No. 1 of 1

C. Strategic Goal/Action Plan (*if applicable*):

D. Project Name and Number (*if applicable*): Telecommunications Center Renovation/9514

E. Agency Activity Number and Name: 831 Administration

F. Description of Priority: ETV requests capital funding in the amount of \$8,228,100 to renovate the Telecommunications Center (TCC) so that all Columbia staff can be moved into one building. Currently, ETV occupies two buildings located next to each other on George Rogers Blvd. ETV could increase operational efficiency and reduce operating costs by moving all staff into the TCC and out of the ETV Administration Building (old State-Record building).

G. Detailed Justification for Funding

(1) Justification for Funding Priority: The ETV Administration Building comprises approximately 140,000 square feet and now houses only about 120 employees, a very inefficient use of space. The 50+ year-old building is in rapidly deteriorating condition and will shortly need major renovations, including a new roof, a new mechanical unit and new plumbing. Due to the age and generally poor condition of this building, repairs of this magnitude would not be a wise use of state funds. The TCC currently houses ETV technical facilities and staff, and with approximately 30,000 square feet of unfinished space, could be renovated to accommodate all Columbia staff. It is estimated that the consolidation of all ETV staff into the TCC would reduce annual operating costs by a minimum of \$200,000 and avoid costly and logistically difficult repairs to the ETV Administration Building.

(2)

Total Project Cost Estimates:	Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Total Project Cost*	\$8,228,100		\$0	\$8,228,100

** If additional annual operating costs from any source of funding are anticipated upon project completion please complete Sections H and I (Justification for Additional Future Annual Operating Costs) below.*

H. Justification for First Year Additional Future Annual Operating Costs:

(1) Will additional annual operating costs be absorbed into your existing budget? Annual operating costs will be reduced.

If not, will additional state funds be needed in the future?

If state funds will not be needed in the future, explain the source(s) that will be used.

(2) First Fiscal Year Additional Annual Operating Costs Are Anticipated: Will this fiscal year require a partial or full year's operating funds? If a partial year's funds are required, what portion of the year does it cover?

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					

(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs					\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

I. Justification for First Full Year Additional Future Annual Operating Costs *(If Section H above represents a full year's operating funds, do not complete this section.)*

- (1) Will additional annual operating costs be absorbed into your existing budget? Annual operating costs will be reduced.
If not, will additional state funds be needed in the future?
If state funds will not be needed in the future, explain the source(s) that will be used.

- (2) First Full Fiscal Year Additional Annual Operating Costs Are Anticipated:

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs					\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

- J. Other Comments: ETV requested an exemption from the state surplus property proviso #63.33. This exemption would have allowed ETV to retain the proceeds from the sale of the ETV Administration Building and use those funds to renovate the TCC. The General Assembly approved ETV's exemption request. However, Governor Sanford vetoed the proviso and the House of Representatives sustained the veto.

It is important to note that upon completion of the renovation, the sale of the ETV Administration Building will return approximately \$8 million to the general fund.

FY 2008-09 COST SAVINGS & ACTIVITY PRIORITY ADDENDUM

I. PRIORITY ASSESSMENT OF ACTIVITIES – HIGHEST PRIORITIES

A. Agency Section/Code/Name: 19/H67/Educational Television Commission

B.

Priority Assessment of Activities – Highest Priorities	General	Federal	Supplemental	Capital Reserve	Other	Total	FTEs
Activity Number & Name: 825 Pre K – 12 Educational Services	5,156,319	0	448,000	0	1,520,722	\$7,125,041	76.97
Activity Number & Name: 830 Educational Television – Local Programming	4,979,744	0	340,500	0	1,642,073	\$6,962,317	81.17
Activity Number & Name: 826 Educational Radio	324,304	0	0	0	1,076,144	\$1,400,448	11.14
Activity Number & Name: 827 Higher & Medical Education	996,642	0	658,000	0	437,547	\$2,092,189	13.45
Activity Number & Name: 829 Education Services to City, County & State Government	860,868	0	196,000	0	686,154	\$1,743,022	17.13
TOTAL OF HIGHEST PRIORITIES	\$12,317,877	\$ 0	\$1,642,500	\$ 0	\$5,362,640	\$19,323,017	199.86

FY 2008-09 ACTIVITY PRIORITY ADDENDUM

II. PRIORITY ASSESSMENT OF ACTIVITIES – LOWEST PRIORITIES

A. **Agency Section/Code/Name: 19/H67/Educational Television Commission**

B. Agency Activity Number and Name: 831 Administration

C. Explanation of Lowest Priority Status: This activity was selected because elimination of the activity would not have a direct impact on the users of ETV's services.

D. Estimate of Savings:

Estimate of Savings:	General	Federal	Supplemental	Capital Reserve	Other	Total
Personnel:						
(a) Number of FTEs	30	0	0	0	0	30.00
(b) Personal Service	1,513,454		0	0	0	\$1,513,454
(c) Employer Contributions	453,676		0	0	0	\$453,676
Program/Case Services	0	0	0	0	0	\$ 0
Pass-Through Funds	0	0	0	0	0	\$ 0
Other Operating Expenses	1,032,987	0	0	0	296,806	\$1,329,793
Total	\$3,000,117	\$ 0	\$ 0	\$ 0	\$296,806	\$3,296,923

E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*): Elimination of this activity would have no direct impact on the customers and clients of ETV's services. However, administrative functions are essential to the efficient operation of a state agency.

A. **Agency Section/Code/Name: 19/H67/Educational Television Commission**

B. Agency Activity Number and Name: 824 Agency Fundraising

C. Explanation of Lowest Priority Status: This activity was selected because elimination of the activity would not have a direct impact on the users of ETV's services.

D. Estimate of Savings:

Estimate of Savings:	General	Federal	Supplemental	Capital Reserve	Other	Total
Personnel:						
(a) Number of FTEs	8.64	0	0	0	2	10.64
(b) Personal Service	393,492		0	0	101,421	\$494,913
(c) Employer Contributions	118,048		0	0	30,426	\$148,474
Program/Case Services	0	0	0	0	0	\$ 0
Pass-Through Funds	0	0	0	0	0	\$ 0
Other Operating Expenses	96,099	0	0	0	224,345	\$320,444
Total	\$607,639	\$ 0	\$ 0	\$ 0	\$356,192	\$963,831

E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*): Elimination of this activity would have no direct impact on the customers and clients of ETV's services. However, agency fundraising enables ETV to provide service and programs without the need for additional state funds.

F.

Summary of Priority Assessment of Activities – Lowest Priorities	General	Federal	Supplemental	Capital Reserve	Other	Total	FTEs
Activity Number & Name: 831 Administration	3,000,117	0	0	0	296,806	\$3,296,923	30
Activity Number & Name: 824 Agency Fundraising	607,639	0	0	0	356,192	\$963,831	10.64

Summary of Priority Assessment of Activities – Lowest Priorities	General	Federal	Supplemental	Capital Reserve	Other	Total	FTEs
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
TOTAL OF LOWEST PRIORITIES	\$3,607,756	\$ 0	\$ 0	\$ 0	\$652,998	\$4,260,754	40.64